

From: Zafar, Marzia  
Sent: 2/22/2012 8:02:04 PM  
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7); Frank, Steven (Law) (/O=PG&E/OU=Corporate/cn=Recipients/cn=SWF5); Sharp, Shelly (/O=PG&E/OU=Corporate/cn=Recipients/cn=SSM3)  
Cc: Cooke, Michelle (michelle.cooke@cpuc.ca.gov); Randolph, Edward F. (edward.randolph@cpuc.ca.gov); Clanon, Paul (paul.clanon@cpuc.ca.gov)  
Bcc:  
Subject: PG&E GRC meeting

Hello,

Thank you for meeting with us this afternoon. This is my understanding of what we agreed to and our next steps. I think I speak for all of us in saying that we appreciate PG&E's efforts to see beyond a normal GRC filing. And thank you for working with us so cooperatively in this specific process.

1. The CPUC will draft a letter asking/proposing PG&E shareholders to fund the three set of consultants that the PUC will hire. The intent of hiring the consultants is provide a value judgement or rather a qualitative review of the safety and security proposals made by PG&E in your upcoming GRC filing. Additionally, the consultants will enable the PUC to identify whether PG&E's proposals fall below industry standards, meet the standards, justifiably exceed the standards, or are even prohibitively above the standards.
  - a. One consultant group will review PG&E's testimony and proposals for their generation system safety and security, one will review electric system safety and security proposals and projects, and finally the third consultant group will review PG&E's gas system safety and security proposals.
2. The CPUC will draft the scope of work and oversee the consultants. We will share the scope of work with you prior to finalizing it only for the purpose of informing you and not so much asking for input.
3. PG&E will have an opportunity as will others to provide comments in response to the consultant's report.

PS - Shelly and Steve - clearly I am not a lawyer so I hope you forgive me for trying to capture the essence of our conversation and not so much a transcription.

Regards,

marzia

*Marzia Zafar \* CPUC \* [zaf@cpuc.ca.gov](mailto:zaf@cpuc.ca.gov) \* 415-703-1997*